CIA INTERNAL USE ONLY

26 mar 59

Follow-up Conference

BUDGETING, ACCOUNTING, & REPORTING

FINANCIAL POLICY

beginning with FISCAL YEAR 1960

CIA INTERNAL USE ONLY

FINANCIAL PROGRAM OBJECTIVES

✔ Simplicity

✔ Gradual

✔ Comptroller Service

FINANCIAL OPERATING AUTHORITIES

OBLIGATING AUTHORITY

Direct use of fund authority to issue orders for:

1. CURRENT YEAR COSTS

2. ~~FUTURE YEAR COSTS~~

PRE-CONTROL

COST AUTHORITY

Authority to incur costs as follows:

1. FROM DIRECT OBLIGATIONS...

   a. current year obligating authority

   b. prior year obligating authority

2. FROM INDIRECT OBLIGATIONS...

   obligations by other people —

   a. property
   b. printing
   c. transportation
   d. books

TREND CONTROL

Pre Control

... OBLIGATION BUDGET SUMMARY

ORGANIZATIONAL UNIT	OPERATING BUDGET 1960			PRELIM. EST.	
	EST. 1959	NET CHANGE	EST. 1960	NET CHANGE	EST. 1961
TOTAL OBLIGATIONS:					
DIVISION A					
DIVISION B					
DIVISION C					
TOT. OBLIGATIONS					
LESS OBLIGATIONS FOR FUTURE YR. COSTS:					
DIVISION A					
DIVISION C					
TOT. FUTURE YR. COSTS					
OBLIGATIONS FOR CURRENT YR. COSTS:					

COST BUDGET...

ITEM	OPERATING BUDGET 1960			PRELIM. EST.	
	EST 1959	NET CHANGE	EST 1960	NET CHANGE	EST 1961
FROM DIRECT OBLIG.:					
CURRENT YEAR AUTH.:					
SALARIES...........					
PROPERTY..........					
OTHER..........					
TOT. CURRENT YEAR					
PRIOR YEAR AUTH.:					
SALARIES..........					
PROPERTY.........					
OTHER........					
TOT. PRIOR YEAR					
TOT. DIRECT OBLIG.					
FROM INDIRECT OBLIG.:					
PROPERTY.........					
BOOKS & PUBL.....					
TRANSPORTATION..					
PRINTING.........					
TOT. INDIRECT OBLIG.					
TOT. COSTS...........					

OFFICE BUDGET RELATIONSHIP

COST BUDGET

ITEM	1959	1960	1961
FROM DIRECT OBLIGATIONS			
CURRENT YEAR			
PRIOR YEAR			
TOTAL			
FROM INDIRECT OBLIGATIONS			
TOTAL			
TOTAL COSTS			

OBLIGATION BUDGET

ITEM	1959	1960	1961
TOTAL OBLIGATION			
TOTAL			
LESS FUTURE YEARS			
TOTAL			
OBLIGATION FOR CURRENT YEAR			

FROM
1958
OBLIGATIONS

AGENCY OBLIGATION BUDGETS
FOR COSTS FROM IN-
DIRECT OBLIGATIONS
PRINTING
PROCUREMENT
BOOKS

OBLIGATING & COST AUTHORITY RELATIONSHIP

1. OBLIGATIONS FOR CURRENT YEAR COSTS:

a. TOTAL AMOUNTS FOR OBJECT CLASS COSTS FOR SALARIES, TRAVEL, TRANSPORTATION OF THINGS, COMMUNICATION SERVICES, RENT, RETIREMENT, AWARDS AND TAXES.
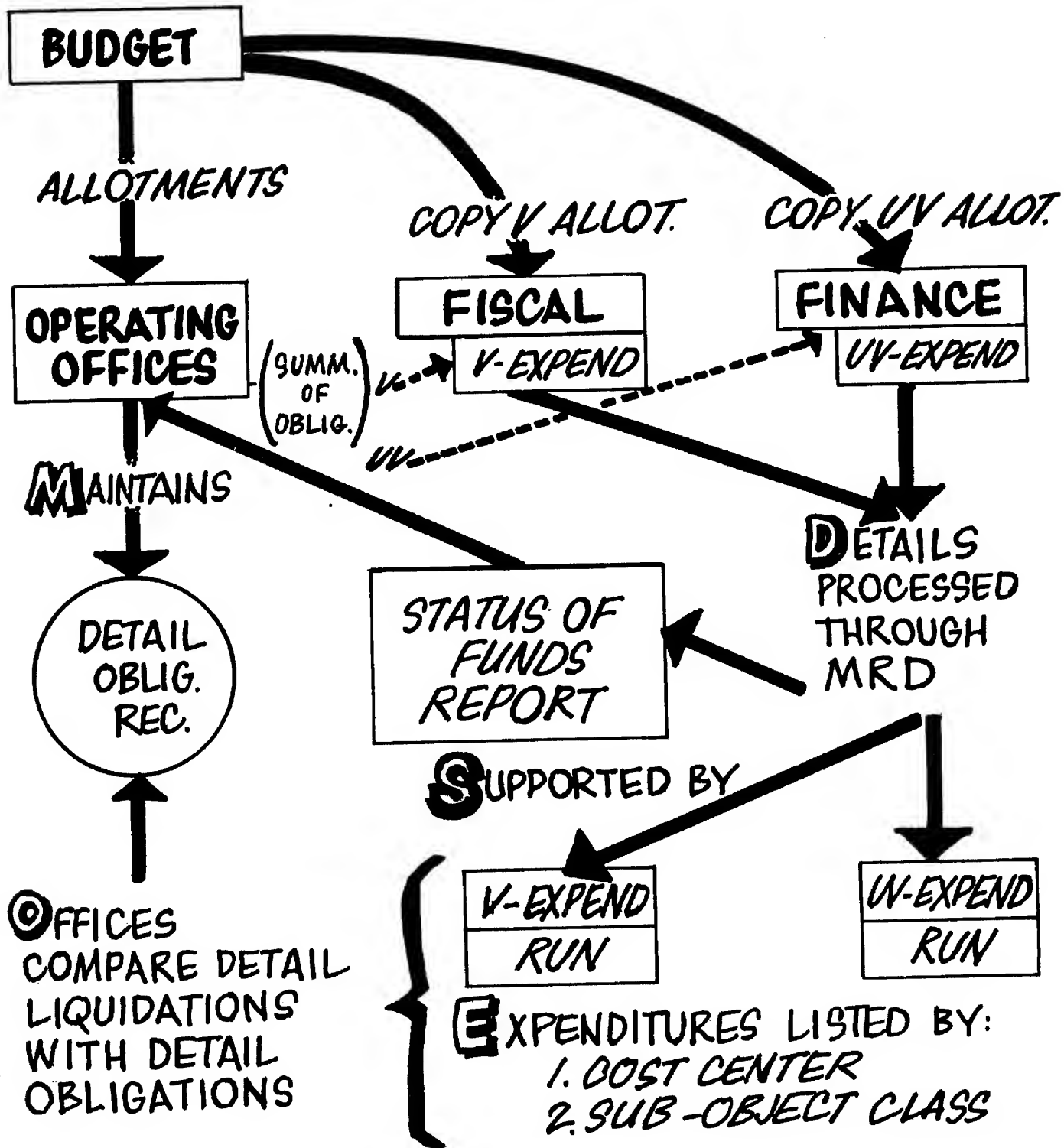
b. PART OF AMOUNTS FOR OBJECT CLASS COSTS FOR PRINTING, OTHER CONTRACTUAL SERVICES, SUPPLIES, EQUIPMENT, AND CONSTRUCTION

2. OBLIGATIONS FOR FUTURE YEAR COSTS:

a. PART OF AMOUNTS FOR OBJECT CLASS COSTS FOR PRINTING, OTHER CONTRACTUAL SERVICES, SUPPLIES, EQUIPMENT, AND CONSTRUCTION

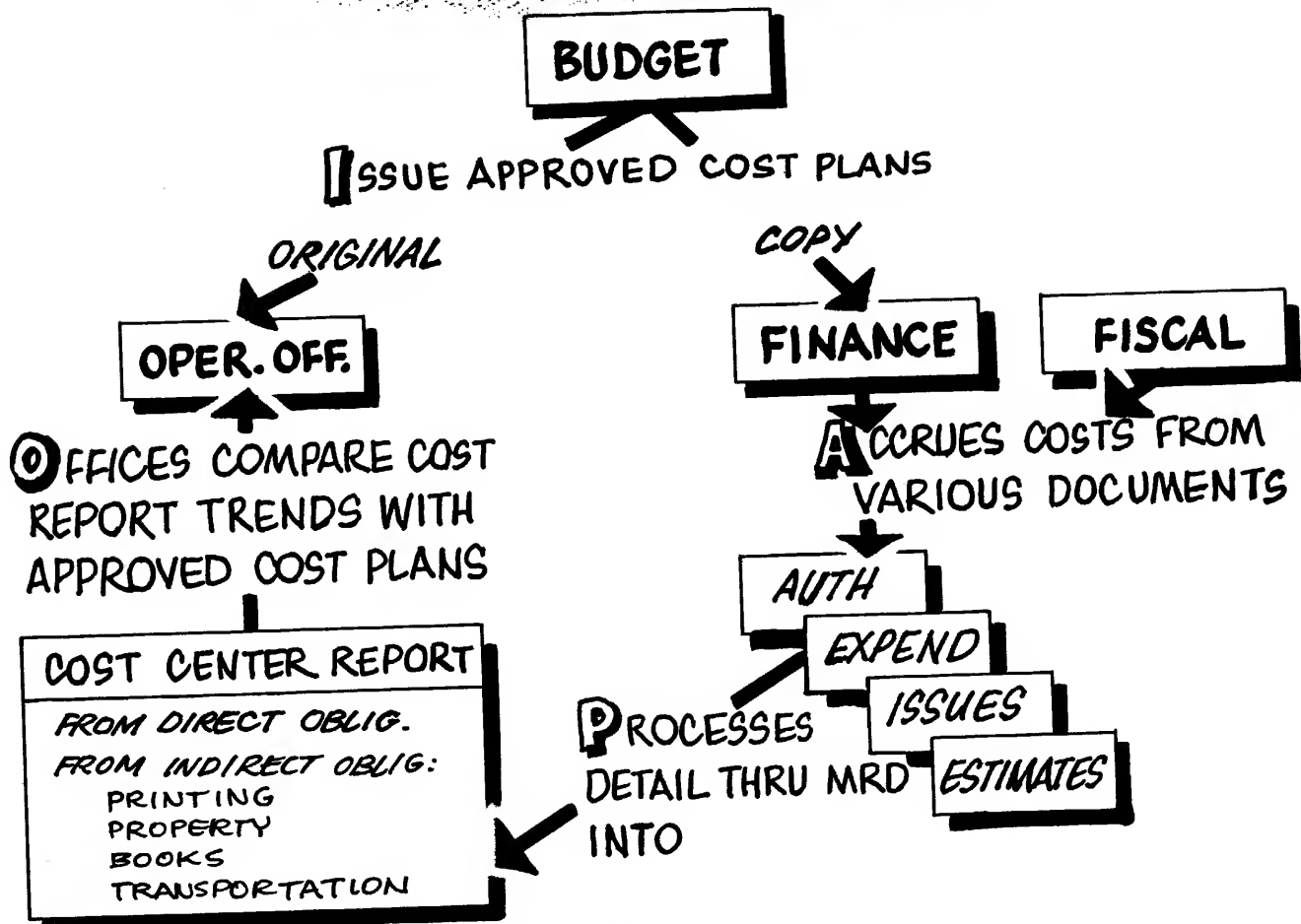YEAR OF DELIVERY OR ISSUE DETERMINES DIVISION BETWEEN CURRENT AND FUTURE YEAR COSTS.

OBLIGATING AUTHORITY CONTROL

BUDGET

ALLOTMENTS

COPY V ALLOT.

COPY UV ALLOT.

OPERATING OFFICES

FISCAL
V-EXPEND

FINANCE
UV-EXPEND

(SUMM. OF OBLIG.)

V

UV

MAINTAINS

DETAIL OBLIG. REC.

STATUS OF FUNDS REPORT

DETAILS PROCESSED THROUGH MRD

SUPPORTED BY

OFFICES COMPARE DETAIL LIQUIDATIONS WITH DETAIL OBLIGATIONS

V-EXPEND RUN

UV-EXPEND RUN

EXPENDITURES LISTED BY:
1. COST CENTER
2. SUB-OBJECT CLASS

COST AUTHORITY CONTROL

BUDGET

ISSUE APPROVED COST PLANS

ORIGINAL

COPY

OPER. OFF.

FINANCE

FISCAL

OFFICES COMPARE COST REPORT TRENDS WITH APPROVED COST PLANS

ACCRUES COSTS FROM VARIOUS DOCUMENTS

AUTH

EXPEND

ISSUES

ESTIMATES

COST CENTER REPORT

FROM DIRECT OBLIG.

FROM INDIRECT OBLIG:

PRINTING
PROPERTY
BOOKS
TRANSPORTATION

PROCESSES DETAIL THRU MRD INTO

ADVANTAGES of APPROACH

1. CAN BE ACCOMPLISHED WITHOUT ADDITIONAL PERSONNEL.

2. OBLIGATION & COST PLANNING SIMPLIFIED:
   a. TOTAL REQUIREMENTS EMPHASIZED
   b. REDUCES PAPER WORKLOAD
   c. RELATED MANAGEMENT ADVANTAGES

3. CONSOLIDATED & IMPROVED REPORTING:
   a. GIVES MANAGEMENT INFORMATION IN ONE REPORT (i.e. all costs in one report)
   b. REDUCES DUPLICATE RECORD KEEPING
   c. PROVIDES OPPORTUNITY TO REDUCE REPORTING WORKLOAD

4. CONTROL AUTHORITIES & RESPONSIBILITIES IMPROVED:
   a. OBLIGATIONS WITH ALLOTTEE
   b. USE OF COSTS FOR OPERATING PURPOSES
   c. PLACES EMPHASIS ON V & UV DISBURSEMENTS

COMPTROLLER TIME SCHEDULE

1. COST BUDGETING
a. EFFECTIVE 1 JUL 1959
b. PROCEDURES TO BE ISSUED BY 15 MAY 1959

2. COST ACCOUNTING & REPORTING
a. FOR COSTS FROM INDIRECT OBLIGATIONS,
EFFECTIVE 1 JUL 1959
b. FOR COSTS FROM DIRECT OBLIGATIONS,
EFFECTIVE AS SOON AS POSSIBLE AFTER
1 JUL 1959, BUT NOT LATER THAN 1 JAN 1960
c. PROCEDURES TO BE ISSUED 45 DAYS BEFORE
EFFECTIVE DATE

3. DECENTRALIZED OBLIGATION RECORDS
EFFECTIVE 1 JUL 1959 OR AS SOON THEREAFTER
AS POSSIBLE.

4. CHART OF ALLOTMENT & COST ACCOUNTS
TO BE ISSUED BY 15 JUN 1959